

TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE
March 18, 2016

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TESTIMONY REGARDING HOUSE BILL NO. 5043

AN ACT MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR
ENDING JUNE 30, 2016

Good morning Senator Bye, Representative Walker and distinguished members of the Appropriations Committee, and thank you for the opportunity to offer testimony regarding House Bill 5043, An Act Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2016.

Section 1 of this bill makes deficiency appropriations to address accounts with shortfalls projected as of January 20, 2016. Please note that later today my office is releasing an updated estimate of agency deficiencies as follows:

- Office of the Chief Medical Examiner. A total shortfall of \$450,000 is estimated, consisting of \$310,000 in Personal Services and \$140,000 in Other Expenses due to an increase in the number of autopsies performed by the agency.
- Office of Early Childhood. A net \$4.7 million deficiency in the Birth to Three program is forecast due to caseload increases and increased utilization of more costly services.
- Public Defender Services Commission. A total shortfall of \$4.0 million is projected. Personal Services is estimated to have a \$1.9 million deficiency. A \$2.0 million deficiency is forecast in the Assigned Counsel – Criminal account due to an increased number of habeas corpus petitions following passage of P.A. 12-115, which places time limitations on filing such petitions. The Expert Witnesses account will have a projected \$100,000 shortfall due both to P.A. 12-115 as well as a Connecticut Supreme Court decision requiring the agency to pay for reasonably necessary expert witnesses when requested by pro se indigent defendants in criminal cases.

- Office of the Treasurer – Debt Service. The December General Obligation bond sale produced lower than anticipated net premiums, resulting in the need for a deficiency appropriation of \$35 million.
- State Comptroller – Miscellaneous. A \$19.0 million shortfall is projected in the Adjudicated Claims account due to several large settlements for wrongfully incarcerated persons.

It's worth noting that shortfalls in all of these agencies were known at the time of the December special session. While the amounts may be somewhat different now than in December, none are a surprise. The December deficit mitigation effort addressed expenditure overruns and revenue weakness as projected at that time, but did not specifically provide agencies with the budget authority necessary to meet their payment obligations. The appropriations in this bill provide that budget authority.

To offset these deficiency appropriations and ensure that the budget remains balanced, section 2 of the bill deappropriates funds expected to remain unspent this year. The bill also includes provisions intended to give effect to certain savings identified during December's special session. In a number of cases, deficit mitigation savings were specified in accounts with statutory language requiring unexpended balances to automatically carry forward into the succeeding year. The language in sections 3 and 4 of the bill prevents those carryforwards and ensures the funds remain unexpended when the books close for this fiscal year.

In conclusion, please note that House Bill 5043 represents shortfalls as we projected them back in January, while my testimony today reflects updated estimates of deficiencies based on the latest information available. As is the case each year, this bill will require amendment to reflect this updated information. The Office of Policy and Management is prepared to work with the Appropriations Committee and the Office of Fiscal Analysis to revise this bill accordingly.

Thank you for the opportunity to present this testimony. Agency representatives are here today to provide more in-depth information regarding projected shortfalls, but I am happy to answer any questions you may have.